

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 405 be amended to read as follows:

1 Delete the title and insert the following:
2 A BILL FOR AN ACT to amend the Indiana Code concerning
3 finance.

4 Page 1, between the enacting clause and line 1, begin a new
5 paragraph and insert:

6 "SECTION 1. IC 5-13-12-8.6 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
8 UPON PASSAGE]: **Sec. 8.6. (a) As used in this section, "industrial
9 development project" refers to the redevelopment of an industrial
10 site in a community revitalization enhancement district
11 designated under IC 36-7-13 that will result in an expansion of
12 employment and investment and the enhancement of the
13 economic stability of the community in which the industrial
14 development project is located.**

15 **(b) As used in this section, "loan guarantee" means the**
16 **guarantee of a loan, an obligation, or another form of**
17 **indebtedness from a federal agency to an Indiana political**
18 **subdivision, including but not limited to a loan under Section 108**
19 **of the federal Housing and Community Development Act, the**
20 **proceeds of which are to be used for an industrial development**
21 **project.**

22 **(c) Notwithstanding any other law, including sections 7 and 8 of**

1 this chapter, the board for depositories shall guarantee a loan or
2 loans that total not more than ten million dollars (\$10,000,000) for
3 an industrial development project in a community revitalization
4 enhancement district that qualifies under this section. The board
5 for depositories may not make more than one (1) loan guarantee
6 under this section for a particular community revitalization
7 enhancement district. The total of all the loan guarantees
8 outstanding on the total outstanding balance of all loans
9 guaranteed under this section for all industrial development
10 projects in all community revitalization districts in all political
11 subdivisions may not exceed ten million dollars (\$10,000,000).

12 (d) The board for depositories, in making the loan guarantee
13 for an industrial development project under this section, shall
14 comply with all the following conditions:

15 (1) Protection against loss on the loan guarantee must be
16 secured through collateral evidenced by a valid mortgage,
17 security agreement, or other agreement or document with
18 the Indiana political subdivision to which the loan guarantee
19 is made. In order to obtain the loan guarantee, the Indiana
20 political subdivision must demonstrate to the board for
21 depositories that the political subdivision has sufficient
22 resources to secure the repayment of the loan guarantee in
23 the event of a valid claim of loss.

24 (2) The term of a loan guarantee made under this section
25 may not exceed twenty (20) years.

26 (3) The board for depositories shall determine the guarantee
27 premium to be received by the public deposit insurance fund
28 for the loan guarantee. The guarantee premium shall be
29 determined in the discretion of the board for depositories at
30 an amount not greater than the market rate then in effect
31 for guarantees, mortgage insurance rates, or letters of credit
32 used for similar purposes.

33 (e) Members of the board for depositories and any officers or
34 employees of the board for depositories are not subject to personal
35 liability or accountability for or by reason of the loan guarantee
36 made under this section.

37 (f) This section constitutes all the authority required for the
38 board for depositories to make a loan guarantee for an industrial
39 development project under this section. This section is in addition
40 to and not in limitation of the other powers of the board for
41 depositories under this chapter.

42 (g) Any claim, loss, or debt arising out of any guarantee under
43 this section is the obligation of the board for depositories, payable

1 out of the public deposit insurance fund, as special funds only and
2 as provided in this section, and does not constitute a debt, liability,
3 or obligation of the state or a pledge of the faith and credit of the
4 state. The document evidencing any guarantee must have on its
5 face the words, "The obligations created by this guarantee (or
6 other document as appropriate) do not constitute a debt, liability,
7 or obligation of the state or a pledge of the faith and credit of the
8 state, but are obligations of the board for depositories and are
9 payable solely out of the public deposit insurance fund, as special
10 funds, and neither the faith and credit nor the taxing power of the
11 state is pledged to the payment of any obligation under this
12 guarantee."".

13 Renumber all SECTIONS consecutively.

(Reference is to ESB 405 as printed February 20, 2004.)

Representative Dvorak